

Conflict of Interest Policy

Studio Channel Islands Art Center

(California Nonprofit Public Benefit Corporation – 501(c)(3))

1. Purpose

The purpose of this Conflict of Interest Policy is to protect the interests of Studio Channel Islands Art Center (“the Organization”) when it is considering entering into a transaction or arrangement that might benefit the private interest of an individual associated with the Organization.

This policy is intended to ensure compliance with:

- IRS regulations governing 501(c)(3) organizations
- IRS Form 990 disclosure requirements
- California nonprofit law
- Best practices in nonprofit governance

This policy works in conjunction with the Organization’s Whistleblower Policy, Code of Ethics, and other governance policies.

2. Covered Individuals

This policy applies to all individuals who have decision-making authority or influence over the Organization, including:

- Board members
- Officers and key employees
- Employees with financial or program authority
- Contracted artists, teaching artists, and consultants with decision-making roles
- Committee members

3. Definition of Conflict of Interest

A conflict of interest arises when an individual’s personal, professional, financial, or artistic interests could interfere with—or appear to interfere with—the best interests of the Organization.

Conflicts may be actual, potential, or perceived.

Examples include, but are not limited to:

- Financial interest in an entity doing business with the Organization
- Ownership, employment, or compensation relationships with vendors, funders, or partners
- Family or close personal relationships with individuals receiving contracts, grants, or paid opportunities
- Self-dealing or private inurement

- Participation in decisions affecting one's own exhibition, commission, teaching contract, or compensation

4. Duty to Disclose

Covered individuals must disclose any actual or potential conflict of interest:

- As soon as the conflict arises
- Annually, through a written disclosure statement
- Before participating in any discussion or decision related to the conflict

Disclosure must include the nature of the interest and all material facts.

Failure to disclose a conflict may result in corrective or disciplinary action.

5. Determining Whether a Conflict Exists

After disclosure, the disinterested members of the Board or appropriate committee shall determine whether a conflict of interest exists.

The individual with the potential conflict:

- May provide information or answer questions
- Must leave the meeting during discussion and voting
- May not attempt to influence the decision

The determination shall be documented in the meeting minutes.

6. Procedures for Addressing Conflicts

If a conflict of interest is identified, the Organization shall:

1. Determine whether the transaction or arrangement is fair, reasonable, and in the Organization's best interest
2. Consider alternative transactions or arrangements
3. Approve the transaction only if it meets nonprofit standards and is approved by disinterested decision-makers

All decisions and safeguards shall be documented in the minutes.

7. Violations of the Policy

If the Board or committee has reasonable cause to believe an individual has failed to disclose a conflict:

- The individual shall be informed of the concern
- Given an opportunity to explain

- Subject to appropriate corrective action if a violation is confirmed

Corrective action may include removal from decision-making roles, termination of contracts, or removal from the Board.

8. Relationship to Whistleblower Policy

Concerns about undisclosed conflicts of interest, self-dealing, or private inurement may be reported under the Organization's Whistleblower Policy.

Individuals who report such concerns in good faith are protected from retaliation under:

- California Labor Code §1102.5
- The Organization's Whistleblower Policy

9. IRS Form 990 Compliance

To comply with IRS Form 990, the Organization affirms that:

- This Conflict of Interest Policy is approved by the Board of Directors
- Covered individuals complete annual written disclosures
- Conflicts are documented and managed by disinterested decision-makers
- Transactions involving conflicts are reviewed for fairness and reasonableness
- The existence and enforcement of this policy are accurately disclosed on Form 990

10. Annual Disclosure Statement

Each covered individual shall annually sign a statement affirming that they:

- Have received and read this Conflict of Interest Policy
- Understand the policy
- Agree to comply with the policy
- Have disclosed all actual or potential conflicts

Adopted by the Board of Directors: _____

Effective Date: _____